

Riverside County Economic Forecast

The population of Riverside County has now reached 1.7 million. The growth rate in population has remained phenomenal despite weaker economic conditions in California since 2000. Riverside County population is growing at the highest rate in California among the 25 largest counties.

The fastest growing cities in the county include Temecula, Murrieta and Coachella. The fastest growing city in the entire state of California between 2000 and 2003 was Temecula, which leaped 30 percent in population.

Population – Selected Cities • January 2003

City	Population	2002-2003 % change
Temecula	75,000	3.0
Corona	137,000	2.2
Riverside	274,100	1.7
Hemet	62,000	1.1
Murrieta	57,000	10.3
Indio	54,500	4.4
Coachella	26,750	10.1
Total County	1,705,500	3.7

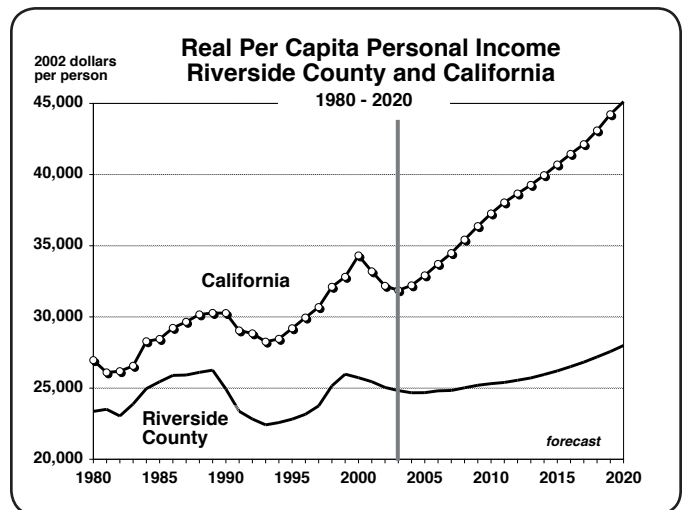
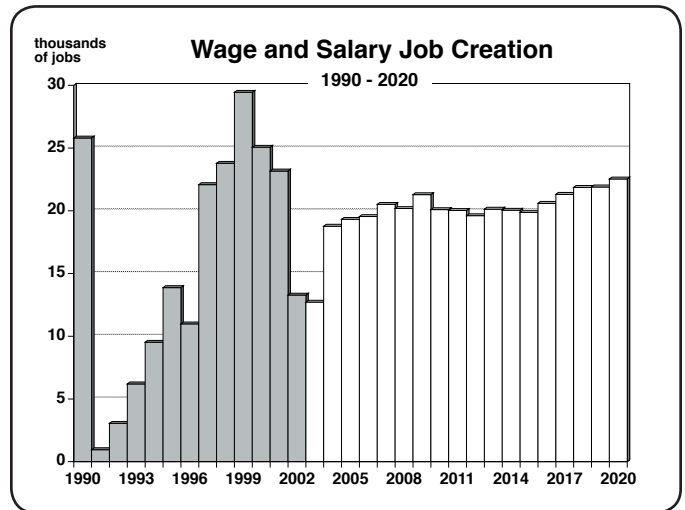
Until recently, Riverside lacked the skilled labor necessary to staff technology. Now that skilled labor force is growing, attracted by affordable housing. Most families and workers in Orange and San Diego Counties cannot afford the median home there. The residential development community has built thousands of homes in all price categories, appealing broadly to all workers.

The median new home price of existing homes for resale reached record levels in 2002, rising 13 percent from median values in 2001. Existing home prices now routinely exceed \$200,000, and new home selling prices have now eclipsed \$275,000 in Riverside County.

Migration into Riverside County has been prolific since 2000, averaging in excess of 40,000 people per year. Job opportunities have been the largest attraction, together with available and affordable housing.

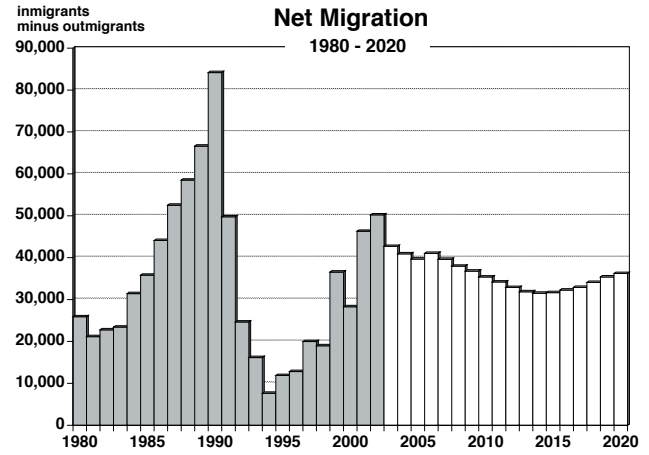
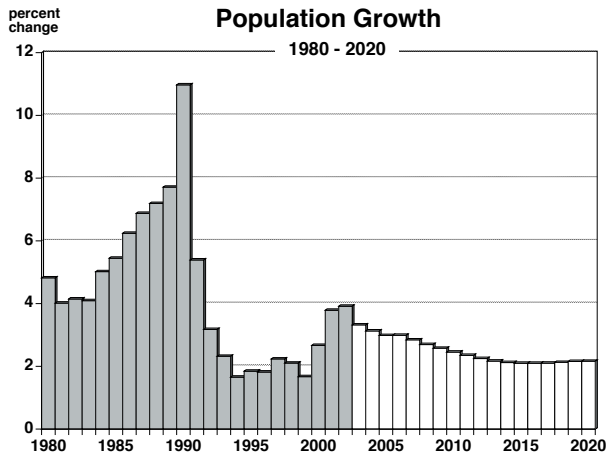
Forecast Highlights

- Forecast for Population: Net migration into the region averages 39,000 persons per year for the next 5 years. Population growth is forecast at 2.9 percent per year between 2003 and 2008. Births rise nearly 2 percent



per year during this time period, but most of the population gain will be from net migration.

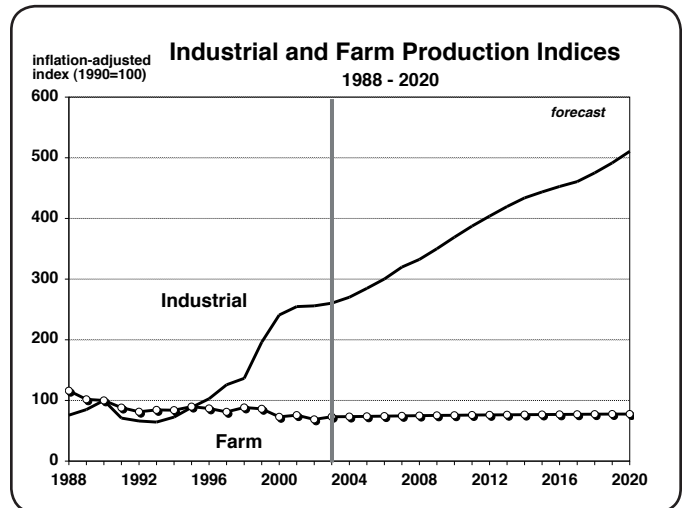
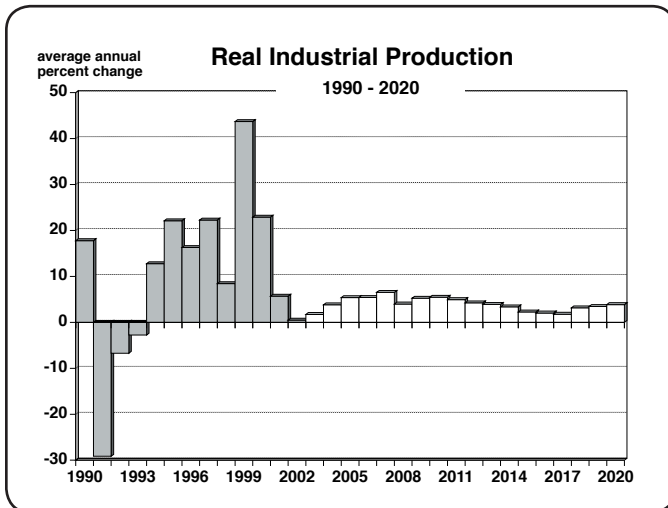
- Forecast for Employment: 100,000 new wage and salary jobs are created between 2003 and 2008. The compound rate of growth of non-farm employment over the next 5 years is 3.7 percent per year. The unemployment rate is forecast to remain in a range of between 5.5 and 6.4 percent for the next several years.
- Forecast for Personal Income: Total inflation-adjusted personal income rises an average of 3.1 percent per year between 2003 and 2008. This compares to an average of 3.9 percent gains in real personal income between 1997 and 2002. Real per capita personal income increases 0.2 percent per year over the next 5 years.



Riverside County Economic Forecast 1995-2002 History, 2003-2020 Forecast

	July Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	1,401,600	11,878	986	448.1	6,946	\$7.4	\$27.1	\$22,815	\$1,163.4	\$10.4
1996	1,427,100	12,822	1,006	453.5	7,499	\$8.0	\$28.5	\$23,162	\$1,141.8	\$12.1
1997	1,459,000	19,976	965	458.0	9,784	\$8.5	\$30.4	\$23,746	\$1,087.9	\$14.8
1998	1,489,700	18,967	1,042	464.2	12,493	\$9.3	\$33.4	\$25,161	\$1,199.4	\$16.1
1999	1,514,600	36,550	1,098	473.1	14,579	\$10.7	\$35.9	\$25,982	\$1,197.3	\$23.1
2000	1,555,000	28,287	1,180	503.1	15,410	\$12.2	\$37.7	\$25,731	\$1,048.5	\$28.4
2001	1,613,900	46,291	1,261	515.8	19,005	\$13.2	\$40.0	\$25,446	\$1,124.8	\$30.0
2002	1,677,100	50,206	1,303	531.5	22,763	\$14.1	\$42.0	\$25,047	\$1,049.4	\$30.2
2003	1,732,775	42,690	1,346	542.8	19,557	\$14.4	\$44.0	\$24,823	\$1,139.6	\$30.7
2004	1,786,988	40,904	1,371	556.4	18,976	\$15.1	\$46.2	\$24,676	\$1,174.1	\$31.9
2005	1,840,308	39,659	1,404	570.1	18,894	\$15.9	\$48.8	\$24,682	\$1,209.4	\$33.6
2006	1,895,332	41,025	1,462	584.3	19,300	\$16.9	\$51.6	\$24,805	\$1,245.0	\$35.4
2007	1,949,234	39,600	1,494	599.2	19,554	\$17.9	\$54.4	\$24,838	\$1,280.0	\$37.7
2008	2,001,749	37,965	1,530	614.4	19,793	\$18.9	\$57.5	\$25,019	\$1,315.5	\$39.2
2009	2,053,308	36,784	1,567	630.1	19,454	\$19.9	\$60.8	\$25,202	\$1,351.3	\$41.3
2010	2,103,699	35,385	1,606	645.7	18,915	\$21.0	\$64.1	\$25,309	\$1,390.2	\$43.5
2011	2,153,145	34,191	1,646	660.9	18,624	\$22.1	\$67.5	\$25,401	\$1,430.6	\$45.7
2012	2,201,572	32,890	1,696	676.1	18,278	\$23.1	\$71.2	\$25,551	\$1,472.0	\$47.6
2013	2,249,266	31,855	1,738	691.1	18,008	\$24.2	\$75.1	\$25,710	\$1,514.9	\$49.5
2014	2,296,939	31,508	1,782	705.9	17,994	\$25.3	\$79.3	\$25,954	\$1,556.1	\$51.2
2015	2,345,110	31,654	1,818	720.7	18,219	\$26.4	\$83.8	\$26,208	\$1,597.5	\$52.3
2016	2,394,297	32,267	1,866	735.7	18,482	\$27.7	\$88.7	\$26,506	\$1,641.3	\$53.4
2017	2,444,588	32,891	1,917	751.0	18,782	\$29.1	\$94.0	\$26,828	\$1,688.2	\$54.3
2018	2,496,567	34,092	1,970	766.6	19,440	\$30.6	\$99.8	\$27,193	\$1,734.5	\$56.1
2019	2,550,375	35,396	2,025	782.7	20,059	\$32.1	\$105.8	\$27,572	\$1,780.5	\$58.0
2020	2,605,516	36,218	2,082	799.5	20,283	\$33.7	\$112.3	\$27,995	\$1,825.4	\$60.2

- **Forecast for Average Salaries:** The average salary per worker in 2002 was \$32,892. Salaries rise an average of 0.9 percent per year during the next 5 years. Average salaries are slightly higher in San Bernardino County than in Riverside County, but salaries are forecast to rise faster in Riverside County.
- **Forecast for Housing:** An average of 19,300 residential units are permitted per year during the next 5 years. This level of production represents an increase compared to the last 5 years when an average of 15,672 units were permitted per year in Riverside County. Real home values are forecast to rise an average of



Total Wage & Salary (000)	Farm (000)	Mining & Construction (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----								
355.3	17.3	22.8	40.0	11.5	88.4	13.8	93.8	67.8
366.3	16.9	25.0	41.7	11.0	90.3	13.8	97.8	69.9
388.4	17.4	29.4	44.7	11.6	94.3	13.5	105.3	72.2
412.2	17.5	35.6	47.5	12.6	98.4	14.0	112.7	73.9
441.6	17.3	42.3	50.1	13.8	105.0	14.9	120.0	78.2
466.7	17.7	47.4	53.4	13.9	110.6	15.0	124.6	84.1
489.9	17.1	53.1	53.6	15.1	117.3	15.9	127.5	90.3
503.1	17.0	54.2	51.7	15.1	120.7	16.6	132.1	95.8
515.9	16.3	54.7	50.3	15.8	127.0	17.0	136.5	98.4
534.6	16.1	56.0	50.6	16.4	133.8	17.4	142.6	101.8
554.0	16.0	57.6	51.6	17.0	140.6	17.7	148.1	105.3
573.5	15.9	59.4	52.6	17.8	147.7	18.0	153.2	108.9
594.0	15.8	61.4	54.1	18.5	154.8	18.3	158.2	112.9
614.2	15.8	63.5	54.9	19.1	162.1	18.5	163.1	117.1
635.5	15.8	65.5	56.1	19.6	169.5	18.8	169.0	121.1
655.6	15.8	67.3	57.5	20.2	176.8	18.9	173.8	125.2
675.6	15.8	68.9	59.0	20.8	184.1	19.1	178.6	129.3
695.2	15.9	70.2	60.4	21.2	191.2	19.3	183.6	133.5
715.3	15.9	71.3	62.5	21.5	198.1	19.4	188.9	137.7
735.4	15.9	72.3	64.3	21.9	204.7	19.4	194.7	142.2
755.2	15.9	73.2	65.5	22.3	211.2	19.5	201.0	146.7
775.8	15.8	74.2	66.9	22.7	217.4	19.6	207.9	151.3
797.1	15.8	75.0	68.6	23.1	223.5	19.7	215.3	156.1
819.0	15.8	76.2	70.1	23.6	229.4	19.8	223.2	161.0
840.9	15.7	77.6	70.9	24.0	235.2	19.9	231.6	166.0
863.4	15.7	79.0	72.1	24.4	240.7	20.1	240.4	171.1

3.1 percent per year. At this rate of appreciation, the median selling price for existing homes is projected to be \$267,700 in the year 2008.

